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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

BORISSOV, IGOR N

ART UNIT PAPER NUMBER

3629

DATE MAILED: 08/17/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/749,720

Applicant(s)

YAGASAKI ET AL.

Examiner

Igor Borissov

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 03 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 May 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 5/18/2004 has been entered.

Response to Amendment

Amendment B, paper No. 6 received on 5/18/2004 is acknowledged and entered. Claims 1, 4, 6, 8, 9 and 10 – 19 have been amended. Currently claims 1-19 are pending for examination.

Examiner's Note

The phrase "*wherein said receiving receives*" in claim 8 appears to be misspelled. Also, Claim 14 includes a phrase "comprising: wherein", which is confusing. The examiner suggests to amend the claims to clear up the matter.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 17-19 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972).

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Additionally, the court decided separately on the issue of the "technological arts".

The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*.

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However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application claims 17-19 are directed to a propagating signal for propagating a program to a computer, said program causing the computer to perform the recited steps. The claimed propagating signal is not a process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, and does not meet requirements of "technological" or "useful" arts inquiry whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory... (*In re Toma* at 857). Therefore, claims 17-19 are directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Peirce et al. (US 6,332,126 B1) (hereinafter Pierce) in view of Spiegel et al. (US 6,466,918 B1) (hereinafter Spiegel).

Claim 4. Peirce teaches a targeted payment system, comprising: a storing device for storing a plurality of target criteria (qualifying information) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a receiving device for receiving qualifying information from a user (C. 3, L. 10-15); a first determining device for determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); a second determining device for determining that the user possesses qualifying information including historic purchase activity for the second service when the user is utilizing the first service (C. 6, L. 14-54); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity. Information as to *by referring to the membership qualification table of the second service ... of the second service* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 4 are disclosed in Pierce in view of Spiegel as described herein. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 1. Pierce teaches said system, further comprising storing means for storing a plurality of target criteria (qualifying information) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a receiving device for receiving qualifying information from a user (C. 3, L. 10-15); a selecting device, and a presenting device (C. 3, L. 10-45), wherein the selecting device determines whether a user is utilizing a first service when determining if the user eligible for a second service; and that the user possesses qualifying information for the second service when the user is utilizing the first service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); and wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

Claim 2. Pierce teaches said selecting device as in claim 1. Information as to *said device totals membership conditions of the at least two services using an AND operation and compares ...* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987).

Thus the structural limitations of claim 2 are disclosed in Pierce in view of Spiegel as described herein. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 3. Pierce teaches: a device for defining a target criteria for specified services (C. 3, L. 11-12); the receiving device for receiving qualifying information from a user (C. 3, L. 10-15); and a selecting device for selecting specified services based on the received qualifying information of the user (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45).

Claim 5. Pierce teaches: a monitoring device for monitoring user purchasing activity (C. 2, L. 35-46); the receiving device for receiving qualifying information from a user (C. 3, L. 10-15); and the first determined device for determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15).

Claim 6. Peirce teaches a targeted payment system, comprising: a storing device for storing a plurality of target criteria (qualifying information) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a designating device for designating a specified target criteria including users historic purchase activity (C. 3, L. 10-15; C. 6, L. 43-45); monitoring device for monitoring qualifying information of users; a determining device for determining users eligible for the specified target criteria (C. 3, L. 10-15); and the presenting device for presenting information about a specified service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity. Information as to *by referring to the membership qualification table of the second service ... of the second service* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 6 are disclosed in Pierce in view of Spiegel as described herein. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 7. Pierce teaches: monitoring device for monitoring qualifying information of users to determine users eligible for the specified target criteria, and a determining device for determining users eligible for the specified target criteria (C.2, L.60-67; C. 3, L. 10-15). Information as to *adds certificate information..., counts a number of the pieces of certificate information..., obtains the number of users who can become the members of the other service...* is non-functional language and given no patentable weight.

Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 7 are disclosed in Pierce in view of Spiegel as described herein. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 9. Peirce teaches a computer-readable recording medium containing instruction causing a computer to perform a method for a targeted payment discount program, comprising: determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); storing identification information including historic purchase activity of the first service as qualification criterion information for comparing with qualifying information of the second service (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45); determining that the user possesses qualifying information including historic purchase activity for the second service when the user is utilizing the first service (C. 6, L. 14-54); presenting qualification information about said selected service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Claim 8. Peirce teaches: in response to detected user's activity, determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); storing identification information (historic purchase activity) of the first service as qualification criterion information for comparing with qualifying information of the second service (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45); determining that the user possesses qualifying information for the second service when the user is utilizing the first service (C. 6, L. 14-54); presenting qualification information about said selected service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

Claim 10. Peirce teaches a computer-readable recording medium containing instruction causing a computer to perform a method for a targeted payment system discount program, comprising: storing a plurality of target criteria (qualifying information) of the plurality of services; designating a specified target criteria (C. 3, L. 10-15; C. 6, L. 43-45); monitoring qualifying information of users to determine users eligible for the specified target criteria (C. 3, L. 10-15); presenting information about a specified service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

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Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Claim 12. Peirce teaches a method for a targeted payment discount program, comprising: determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); storing identification information including a historic purchase activity of the first service as qualification criterion information for comparing with qualifying information of the second service (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45); determining that the user possesses qualifying information including a historic purchase activity for the second service when the user is utilizing the first service (C. 6, L. 14-54); presenting qualification information about said selected service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Claim 11. Peirce teaches: storing a plurality of target criteria (qualifying information) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); comparing qualifying current information of user's purchasing activity with the target criteria of said plurality of services which is not offered to the user yet; selecting a service to which the user is eligible based on said comparison (C. 2, L. 35 – C. 3, L. 60; C. 6, L. 14-54); presenting information about said selected service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

Claim 13. Peirce teaches a system and method for a targeted payment system discount program, comprising: storing a plurality of target criteria (qualifying information) of the plurality of services; designating a specified target criteria including historic purchase activity (C. 3, L. 10-15; C. 6, L. 43-45); monitoring qualifying information of users including historic purchase activity to determine users eligible for the specified target criteria (C. 3, L. 10-15); presenting information about a specified service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

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Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Claim 15. Peirce teaches a targeted payment system, comprising: a storing means for storing a plurality of target criteria (qualifying information including historic purchase activity) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a receiving device for receiving qualifying information from a user including historic purchase activity (C. 3, L. 10-15); a first determining means for determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); a second determining means for determining that the user possesses qualifying information including historic purchase activity for the second service when the user is utilizing the first service (C. 6, L. 14-54); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

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It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Information as to *by referring to the membership qualification table of the second service ... of the second service* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the structural limitations of claim 4 are disclosed in Pierce in view of Spiegel as described herein. Also as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 14. Pierce teaches said system, further comprising: storing means for storing a plurality of target criteria (qualifying information) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a receiving device for receiving qualifying information from a user (C. 3, L. 10-15); a selecting device, and a presenting device (C. 3, L. 10-45), wherein the selecting device determines whether a user is utilizing a first service when determining if the user eligible for a second service; and that the user possesses qualifying information for the second service when the user is utilizing the first service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); and wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

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Claim 16. Peirce teaches a targeted payment system, comprising: a storing device for storing a plurality of target criteria (qualifying information including historic purchase activity) of the plurality of services (C. 3, L. 10-15; C. 6, L. 43-45); a designating device for designating a specified target criteria including historic purchase activity (C. 3, L. 10-15; C. 6, L. 43-45); monitoring device for monitoring qualifying information of users including historic purchase activity; a determining device for determining users eligible for the specified target criteria (C. 3, L. 10-15); and the presenting device for presenting information about a specified service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

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Claim 18. Peirce teaches a computer-readable recording medium containing instruction causing a computer to perform a method for a targeted payment system discount program, comprising: determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); storing identification information including historic purchase activity of the first service as qualification criterion information for comparing with qualifying information of the second service (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45); determining that the user possesses qualifying information including historic purchase activity for the second service when the user is utilizing the first service (C. 6, L. 14-54); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

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Claim 17. Peirce teaches: in response to detected user's activity, determining whether a user is utilizing a first service when determining is the user eligible for a second service (C. 6, L. 14-54; C. 8, L. 43 – C. 9, L. 15); storing identification information (historic purchase activity) of the first service as qualification criterion information for comparing with qualifying information of the second service (C. 2, L. 35 – C. 3, L. 60; C. 4, L. 18 – C. 5, L. 45); determining that the user possesses qualifying information for the second service when the user is utilizing the first service (C. 6, L. 14-54); presenting qualification information about said selected service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

Claim 19. Peirce teaches a computer-readable recording medium containing instruction causing a computer to perform a method for a targeted payment system discount program, comprising: storing a plurality of target criteria (qualifying information including historic purchase activity) of the plurality of services; designating a specified target criteria including historic purchase activity (C. 3, L. 10-15; C. 6, L. 43-45); monitoring qualifying information of users including historic purchase activity to determine users eligible for the specified target criteria (C. 3, L. 10-15); presenting information about a specified service to the user (C. 3, L. 42-47); wherein said collected qualifying information is stored and organized in tables (C. 4, L. 20-27).

However, Peirce does not specifically teach that said qualifying information including historic purchase activity is *membership* qualification information.

Spiegel teaches a computer-implemented system and method for assisting users in locating popular products within a catalog of an online merchant, wherein the purchase history of a user is considered to be a qualifying condition for a membership (C. 2, L. 60-67).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Peirce to include that said qualifying historic purchase activity of the user is considered to be membership qualification information, as disclosed in Spiegel, because it would allow to create a predetermined membership benefits and services to active shoppers, thereby stimulating other users to increase their shopping activity.

Examiner's Note

Examiner has cited particular columns and line numbers or figures in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure (see form PTO-892).

The following U.S. patents are cited to further show the best domestically patented prior art found by the examiner:

6,430,539 to Lazarus et al. disclosing predictive modeling of consumer financial behavior.

6,014,635 to Harris et al. disclosing a method for providing a discount for a credit-based transaction.

The following foreign patent is cited to show the best foreign art found by the examiner:

WO 98/06050 to Peirce disclosing a targeted payment system for matching qualified consumers to targeted merchant discount offer.

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Examiner suggests the Applicant review these documents before submitting any amendment.

Any inquiry concerning this communication should be directed to Igor Borissov at telephone number (703) 305-4649.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 308-1113.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, John Weiss, can be reached at (703) 308- 2702.

Any response to this action should be mailed to:

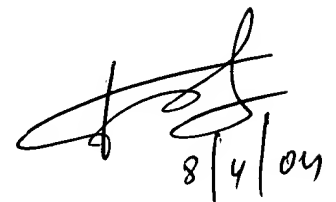
Commissioner of Patents and Trademarks
Washington D.C. 20231

or faxed to:

(703) 305-7687 [Official communications; including After Final
communications labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451
Crystal Drive, Arlington, VA, 7th floor receptionist.

Igor N. Borissov
Patent Examiner
Art Unit 3629



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